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SENSITIVE
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NEA/ARP; USTR JASON BUNTIN

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TAGS: PGOV PTER PINR GTIP KTFN KHUM KU
SUBJECT: AMBASSADOR DISCUSSES FTA; IPR; KUWAIT'S INVESTMENT CLIMATE WITH NEW MINISTER OF COMMERCE & INDUSTRY

REF: KUWAIT 689

¶1. (U) Summary: Ambassador met on July 9 with newly appointed Minister of Commerce & Industry Ahmad Rashed Al-Haroun. Ambassador applauded the GoK's efforts to implement IPR enforcement but stressed the need to implement legislation. The Minister was optimistic that with a more "approachable" and "knowledgeable" Parliament, essential IPR legislation would be passed. The Minister told Ambassador he shared her interest in growing the commercial relationship to match the political/military relationship already present. Ambassador applauded reported talks between Iraq and Kuwait, and expressed confidence the GoK would be creative in addressing outstanding debt issues. Al-Haroun was accompanied by Under Secretary Rasheed Al-Tabtabaei, and Assistant Under Secretary for Foreign Trade Affairs Abdulaziz Al-Khaldi. End Summary.

IPR

¶2. (SBU) In a July 9 introductory meeting with Kuwaiti newly and first-time appointed Minister of Commerce and Industry, the Ambassador commended the GoK on its IPR enforcement efforts, but highlighted the need to have laws that complement those efforts. U/S Al-Tabtabaei asked Ambassador if Kuwait remained on the Special 301 Watchlist, pointing out increased enforcement efforts by the GoK. Ambassador told Al-Tabtabaei that while she commended the GoK for its obvious commitment to improving its enforcement efforts, Kuwait would remain on the Special 301 Watchlist absent the passage of relevant legislation.

Capital Market Authority and Investment

¶3. (SBU) Ambassador offered that the government's decision to establish a Capital Markets Authority (CMA) for Kuwait's Stock Exchange was a step in the right direction. The Minister said he was pleased with the plans for the CMA and hoped the Ambassador would have the opportunity to be present when he signed the agreement. Turning to investment, Ambassador noted that the cancellation of the USD 11.2 Billion K-Dow deal, together with the canceling of the Fourth Refinery tender, had given U.S. companies pause when considering investment in Kuwait, and emphasized the GoK's need to create a better climate for investment; the commercial relationship should mirror our substantial political/military relationship. Al-Haroun said he shared the Ambassador's interest in growing the commercial relationship and building a stronger bilateral trade partnership.

TIFA and FTA

¶4. (SBU) U/S Al-Tabtabaei raised Kuwait's interest in TIFA and FTA with Ambassador, underscoring that TIFA was an important issue for Kuwait. He told Ambassador that the government was surprised and disappointed during the third round of TIFA talks when the GoK was told the US Administration's Trade Promotion Authority (TPA) had expired (Note: The third round of TIFA talks took place in February 2008 and was headed by then USTR Shaun Donnelly. TPA expired July 1, 2007. End Note.) Ambassador said she knew how important this issue was to the government, but given the present economic situation in the U.S. and other priorities, it was highly unlikely that Congress would re-instate "fast track" FTA negotiating authority any time soon. She underscored the need for the government to lay the groundwork and re-engage with the USG, to include Congress. The Minister told Ambassador that Kuwait needed more lobbying efforts and acknowledged the need to establish a trade office in Washington. He responded enthusiastically to Ambassador's suggestion that he take a trade delegation to the United States and expand on the trade relationship. (Note: There has been minimal engagement on TIFA issues since the last formal meeting in Kuwait in February 2008 and limited progress has been made on the copyright law, but there has been no substantive response to comments provided by USTR in February 2009. End Note.)

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¶5. (SBU) Ambassador also took this opportunity to applaud recent positive exchanges between senior GoK officials and visiting Iraqi Parliamentary Speaker Iyad al-Samarrai (Reftel). She urged the GoK to be creative in addressing Iraq's debt issue and reiterated that to do so would only strengthen and enhance security between the two countries.

Biographical Note

¶6. (SBU) This is Al-Haroun's first ministerial appointment. He previously served as secretary for the financial committee of the National Assembly, as Deputy Chief of the Public Authority for Social Security (PAFSS) and since 1994 as Chair of the Kuwaiti Chamber of Commerce. Al-Haroun is politically independent and hails from a well-known family of politicians. His brother Musaïd Al-Haroun is the current Ambassador to Canada and Former Minister of Education and Higher Education and Abd Al-Wahab Al-Haroun was a former MP. He was born in 1943 and earned a B.A. from Arab Beirut University in 1973. He is married with four children and his eldest son Hamad, studied at Pacific Lutheran University in Washington State.

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